

RECENT CHANGES
in the
FEDERAL CIVIL SERVICE
RETIREMENT SYSTEM
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Based on the Langer-Chavez-Stevenson Act
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This pamphlet is designed to answer in a nontechnical manner the questions which will arise in the minds of Federal employees and others concerning the recent changes in the civil-service retirement program. It is an expansion of a talk on the subject presented by Warren B. Irons, Chief of the Retirement Division of the United States Civil Service Commission, before personnel officials of the Federal Government in Washington, D. C., on March 4, 1948.

RECENT CHANGES IN THE FEDERAL CIVIL SERVICE RETIREMENT SYSTEM

A million and a half Government employees are members of the Federal civil service retirement system. Since the system started about 28 years ago, there have been a number of amendments to the basic Retirement Act. These amendments have extended, and altered for the better, the system's benefits.

In February 1948 Congress passed, and President Truman approved, the so-called Langer-Chavez-Stevenson Act, which further increases the benefits offered by the Federal retirement system.

The new law is an important one. *Any* law which directly affects the savings and future welfare of a million and a half individuals is bound to be important. The new law has a special social significance in that it provides a new measure of security for us and for our dependents and beneficiaries.

The Langer-Chavez-Stevenson Act changed some of the basic features of the original Retirement Act; it made some additions to the old system, and it also eliminated some of the former provisions.

The new law provides that for separations on or after the 1st of April 1948, a minimum of 5 years of Federal *civilian* service is needed to qualify for any annuity benefits. Military service cannot be substituted for civilian work in connection with this minimum.

The new law increases the deductions from salary for retirement purposes from 5 percent to 6 percent, effective with the first pay period after June 30, 1948. Interest on deductions of active employees was lowered from 4 to 3 percent as of the beginning of 1948.

The new Act did *not* change the conditions in connection with age and optional retirement after certain periods of service. These remain as before, briefly:

The employee *MUST* retire at age 70 if he has at least 15 years of service.

He *MAY* retire at age 60 with 30 years of service.

He *MAY* retire at age 62 with 15 years of service.

He *MAY* retire at age 55 with 30 years of service; in this case, however, his annuity will be scaled down from that which he would get if he were age 60, and, once set, does not change as time goes on.

An immediate annuity is available, under certain conditions, to employees who leave the government after 25

Minimum service for an annuity

Changes in deductions and in interest

Age and optional retirement

Separation after 25 years of service

years of service. This applies to a person who is separated through no fault of his own (in a reduction in force, for example).

As an illustration, an employee with 26 years of Federal service to his credit toward retirement is separated from the Government on account of a cut-back in personnel; he can get an immediate annuity regardless of his age at the time he is laid off.

A somewhat similar provision of law was in effect for a temporary period ending June 30 last year (the Forand Act). This portion of the new law was made retroactive to July 1, 1947.

The amount such a person receives will not be a full annuity if he is less than 60 years old. It will be scaled down at the rate of one-fourth of 1 percent per month (3 percent per year) for each full month under 60 at the date of separation.

Discontinued service annuity after 5 years

After April 1 there is but one age at which annuity starts for those people who work for the Government for at least 5 civilian years and then leave before reaching retirement age. That age is 62. In the past anyone who earned the right to a future annuity by virtue of 5 years' employment could elect to start getting his annuity payments at either age 55 or 62, depending on whether he had been dropped involuntarily or resigned. Now, the reason for separation does not matter, and the discontinued service annuity, as we call it, starts at age 62.

In connection with this, the Langer-Chavez-Stevenson Act says that if a person serves at least 5 civilian years, but hasn't reached the 20-year mark, he has the choice of taking a refund of all the money to his credit in the fund (including interest) or leaving it in the fund for annuity purposes when he reaches age 62. If he takes the refund, he is out of luck so far as the annuity is concerned.

Disability retirement

One must have completed at least 5 years of civilian Government service to be eligible for *disability* retirement, but in this case the annuity payments start immediately, regardless of age. There are two good points under the new law, and one which is not so favorable, so far as the disability annuitants are concerned. First of all, a good point is that any employee who is undergoing hospital treatment when he is separated from his agency, or who is hospitalized at any time during the 6 months after his separation, can delay making his application for disability retirement for as long as 6 months *after* hospitalization ends. This is a break for those folks whose illness or incapacities prevent them from making their annuity arrangements with us right away.

Extended time for making disability claim

With respect to those who join, or are already on, the disability rolls, it is no longer necessary for any of them to have annual physical examinations after they get to be 60 years old. Under the old system, such examinations could be ordered each year until the annuitant reached 70.

Annuitants' annual physical exams

The Government will save money on this new provision, and we won't bother these annuitants after age 60.

The one new feature of the act which is not so attractive with respect to the disability annuitants is this: Heretofore, when such an annuitant made a recovery, and became employable but was not able to obtain Federal employment, that person could be treated as having been involuntarily separated. His disability annuity stopped, and he then became eligible for reduced annuity benefits at age 55, or regular annuity at age 62. The new act takes away this age 55 provision; hereafter, if such an individual is unable to get Government employment, he must wait until age 62 for the regular annuity to start.

One of the nice things about the 1948 act is the way it eases much of the figuring of the retirement income. There is now a simple basic formula which is used in computing the annuity of each person. This is it: When the person's average salary for his highest 5 consecutive years of Federal service is \$5,000 or more, we merely take 1½ percent of that average and multiply by the total number of years of service. The product of that simple computation is the annuity.

If the person's 5-year average salary is less than \$5,000, we take 1 percent of it, add \$25 to that, and then multiply by the total years of service. The result is the annuity which is payable to the former employee.

Reemployment
of recovered
disability
annuitants

How to com-
pute annuities

FORMULA—When best 5-year average salary is \$5,000 or more.

Example: Average is \$6,000; all service after August

1, 1920, is covered by deposits; 30 years of service:

Take 1½ percent of the salary ----- \$90

Multiply by years of service ----- ×30

Annuity ----- \$2,700

FORMULA—When best 5-year average salary is less than \$5,000.

Example: Average is \$4,000; all service after August 1, 1920, is covered by deposits; 30 years of service:

Take 1 percent of the salary ----- \$40

Add \$25 ----- 25

Multiply by years of service ----- ×30

Annuity ----- \$1,950

When we have a case in which some part of the employee's Federal career was in work for which no deductions were made for retirement purposes, that person's annuity will naturally be somewhat lower than that of the person who has made all required deposits.

Deposit for
service credit

The individual who is short on paid-up service, however, can correct that situation by making a deposit in the fund. The payment required will consist of the proper amount of deductions with interest.

Effect of not
making deposit
for service
credit

It used to be very difficult to compute the annuity earned by a person who had a mixed service consisting of periods when he did not contribute to the retirement fund, and when he did contribute to the fund. Now, that computation, too, is much easier. We compute the annuity which the person would have been entitled to if *all* his service since August 1, 1920, had been covered by deductions, and then reduce that figure by one-tenth of the amount of the required payment.

That isn't as complicated as it sounds. Here is an example of how it works:

Example: Average salary for best 5 years is \$3,000; 30 years' service, but no deductions taken during 6 of those years; assuming that a \$400 deposit in the fund is required to get full service credit:

| | | |
|------------------------------|-------|------|
| Take 1 percent of the salary | ----- | \$30 |
| Add \$25 | ----- | 25 |
| | | 55 |

| | | |
|------------------------------|-------|-----|
| Multiply by years of service | ----- | ×30 |
|------------------------------|-------|-----|

| | | |
|------------------------------|-------|---------|
| Full annuity | ----- | \$1,650 |
| Less $\frac{1}{10}$ of \$400 | ----- | —40 |
| | | 1,610 |

| | | |
|---------|-------|---------|
| Annuity | ----- | \$1,610 |
|---------|-------|---------|

The deposit needed to cover past service for which no deductions were made will be the original percentage deduction of salary ($2\frac{1}{2}$, $3\frac{1}{2}$, 5, or 6 percent, depending on when the service occurred), plus the interest thereon.

Redeposit of
refund.

The new law requires that any person retiring in the future who has taken a refund at any time in his career and has not redeposited the money in the fund since his return to a job under the Retirement Act, must make this payment, with interest, before he can be given credit for that earlier service. The following illustrates the effect of *not* redepositing a refund.

Example: Average salary for best 5 years is \$3,000; 30 years' service, but person took a refund for 9 of these years, and did not repay the money to the fund:

| | | |
|------------------------------|-------|------|
| Take 1 percent of the salary | ----- | \$30 |
| Add \$25 | ----- | 25 |
| | | 55 |

| | | |
|----------------------|-------|-----|
| Multiply by 21 years | ----- | ×21 |
|----------------------|-------|-----|

| | | |
|---------|-------|---------|
| Annuity | ----- | \$1,155 |
|---------|-------|---------|

Veterans should keep in mind when figuring their retirement income that they need not make any payment to the fund to receive full credit for their military service. All military time is computed according to the basic formula just as though salary deductions had been made for that period of their Federal service. In figuring the best 5-year annual salary, the military pay rate can be used if desired. Persons carried on leave or furlough from Federal civilian jobs during military duty can apply either the military rate or the civilian rate.

Full credit for military service

There is one qualification covering all annuities: In any case the annuity may not exceed 80 percent of the average salary for the highest 5 consecutive years of service. In this rule, of course, we are considering the regular annuity earned by pay-roll deductions (and deposits), and not the extra annuity which can be purchased by voluntary contributions to the fund.

Limit on amount of earned annuity

Let's consider for a minute those people who leave the service prior to the usual retirement age and take a reduced annuity. This refers to the 30-year workers who decide to retire under the age 55 option. These folks get a break under the new conditions; the amount of reduction from a full annuity will not be as great in the future as in the past.

Annuity in 55-30 cases

What we do in these cases is figure the regular annuity, using the basic formula, and then cut it down. For the 30-year man who retires any time from age 55 to age 60, we figure his normal annuity and then reduce it at the rate of one-fourth of 1 percent for each full month (3 percent for each full year) he is under age 60.

FORMULA for getting the reduced annuity in "55-30" cases.

Example: Age 55; the full annuity, computed from the basic formula, is \$2,000:

From the full annuity----- \$2,000

Deduct 15 percent (3 percent per year

for 5 years under age 60)----- 300

Reduced annuity----- \$1,700

The foregoing formula is used also in computing the reduced annuity payable to an employee with 25 or more years of service who is involuntarily separated from the rolls after April 1, 1948, not for cause or on charges of misconduct or delinquency. The annuity in such case starts immediately upon separation, regardless of the age of the employee. The rate of reduction from a full annuity is the same as in a 55-30 case (3 percent per year under age 60).

25-year service annuity

The annuities of persons with 25 or more years of service who left the rolls, as described above, between

June 30, 1947, and April 1, this year, will be computed as under all the *old* retirement provisions except for this one point: Their basic annuities will be computed as in the past and then the new plan of 3 percent per year reduction for age under 60 will be applied to get the reduced annuity payable.

Employees with 5 or more years of civilian service who are separated after the effective date of the new law and before they attain the full, or optional, retirement age, will be entitled to an annuity at age 62 computed on the basis of the new formula. If such an employee takes a refund, this discontinued service annuity is forfeited, as stated earlier in this pamphlet.

The Langer-Chavez-Stevenson Act does *not* allow us to compute annuities under the new, more liberal plan for those employees with 5 or more years of service who are separated from the rolls between January 24, 1942,¹ and the effective date of this act. Persons in this category retain the rights and benefits offered under the old law.

Among the interesting features of the Langer-Chavez-Stevenson Act are the new survivorship benefits. The old "forfeiture" and "joint and survivorship" retirement plans are out; we have in their stead two survivorship principles under the new law which we call the "Joint-and-Survivorship Options." The first is limited to husbands, and the second is open to any unmarried employee. An employee is not allowed to decide which option he wants to use until he retires, so for most members of our system there is plenty of time to think this over.

Let's take up the husband's special benefit first; we can call this "Option 1." We have a married man—a retiring employee—and he wants to provide security for his wife after he dies. By taking this Option 1 he will receive 90 percent of the regular full annuity to which he is entitled, less three-fourths of 1 percent for each full year (if any) his wife is under age 60 at the time the husband retires.

In the case of a wife who is 47, but not yet 48, when her husband retires, for example, this difference-in-age reduction will result in the retired man's getting an income amounting to 81 percent of a full annuity (which is the initial 90-percent rate reduced by three-fourths of 1 percent annually for 12 full years), and the wife's getting a survivorship annuity equal to 50 percent of the FULL annuity beginning at her age 50. Her payments start immediately upon the husband's death if she has already reached 50 when he passes on. This annuity to the widow will be paid until her death or remarriage.

In connection with this proposition of reducing the retired man's annuity according to the wife's age, there is

¹The act of that date added the discontinued service annuity provision to the retirement program.

a section in the new law that says the man's reduced annuity will in no case be under 75 percent of a full annuity.

The Option 1 arrangement is available to married males retiring under any plan (including those involuntarily separated after 25 years) except the annuity plan based on discontinued service after 5 or more years of employment.

So, on to Option 2 of these new survivorship benefits. This plan is open only to *unmarried* employees (men and women) who retire under the age and optional provisions of the law and those who are entitled to a 25-year-service annuity after involuntary separation.

Under Option 2, the retired worker gets a reduced annuity (scaled down according to the following table), and the individual he designates as his survivor gets payments amounting to 50 percent of the reduced annuity which the former employee was getting. Payments to the named survivor will continue from the time the former employee dies until the survivor dies.

*Option 2:
Survivor of
unmarried
employee gets
immediate
annuity*

OPTION 2.—*Joint and survivorship*

| Survivor-annuitant | Rate payable to retiring employee | Rate payable to survivor-annuitant |
|--|-----------------------------------|------------------------------------|
| Older, or within 5 years of retiree's age. | 90% of full rate----- | ½ of 90% rate. |
| 5, but less than 10 years younger. | 85% of full rate----- | ½ of 85% rate. |
| 10, but less than 15 years younger. | 80% of full rate----- | ½ of 80% rate. |
| 15, but less than 20 years younger. | 75% of full rate----- | ½ of 75% rate. |
| 20, but less than 25 years younger. | 70% of full rate----- | ½ of 70% rate. |
| 25 or more years younger. | 60% of full rate----- | ½ of 60% rate. |

If it so happens that the named survivor under this Option 2 is also qualified to receive an annuity through the benefits accorded him as a child of the deceased annuitant, that survivor will be paid the amount coming to him under the Option 2 arrangement, and the other payments will be discontinued, or vice versa; *both* annuities cannot be paid.

There are two requirements to be met under this plan: (a) The retiree must be in good health—as evidenced by a physical examination taken when he retires—and (b) the named survivor must have an "insurable interest" in the retired person. Anyone who would suffer a financial loss in the event of the retired employee's death could be considered as having an "insurable interest" in the former employee. Dependent relatives would qualify, of course.

*Conditions of
Option 2*

**Widow and
children
benefits**

There are about 1,128,000 men among our members of the Civil Service Retirement System. It has been estimated that around 850,000 of these men are married. From this hasty figuring we may deduce that we have a great many people in our midst who are—or soon will be—deeply interested in the new widows' and children's benefits that have been established under the new retirement law.

Under the old law, the widow of a deceased retired employee could receive an annuity only if her husband had named her as his survivor-annuitant when he retired. She had no annuity protection at all if her husband died while he was still employed. The same was true of a surviving child of an employee. The benefits under the Langer-Chavez-Stevenson Act protect the widows and the children of both active employees and annuitants.

**Eligibility for
benefits**

Before going into these new benefits specifically, it should be explained that for these purposes the widow must have been married to the worker or annuitant for at least 2 years before his death, or be the mother of his child born during the marriage. A child, to be eligible for the new benefits, must be unmarried and under the age of 18 or, if over 18, incapable of self-support because of physical or mental disability. No benefits are payable unless the employee has completed at least 5 years of civilian service at the time of his death.

**Widow of
deceased
employee**

First, let us take the case of the man who dies while in active service. The man, in our example, leaves his widow, but no children who could qualify for annuity benefits. His widow will receive an annuity when she reaches the age of 50, or, if she is already past 50 at the time of the employee's death, she gets the annuity immediately. It will be paid to her until she dies or remarries.

In the case of a deceased employee who leaves a widow and a child, if the child is entitled to an annuity, so also is the widow entitled to an immediate annuity. The one benefit brings the other, so to speak, and the widow's age is immaterial. The widow will get monthly checks (based on the existence of the child) until she dies, remarries, or reaches age 50. This isn't the end, however, for if the widow hasn't remarried, she will be entitled to get the regular widow's annuity commencing at age 50, as outlined above. In this way, the payments will be continuous in some cases.

In both instances, the amount paid to the widow will be 50 percent of the annuity the husband had earned by the time he died. If the husband had made voluntary contributions to the fund to purchase additional annuity for himself, the exact amount of his contributions (with interest) will go to his beneficiary or to his estate.

Now for the children's annuities. If the father dies while in active service and leaves both a widow and children, each child will receive an immediate annuity. This annuity will be one of the following, whichever is the least: (1) 25 percent of the amount which would have been due the father; (2) \$360; or (3) the amount obtained by dividing \$900 by the number of surviving children.

Employee's
surviving
children

If, however, the father dies as a widower, or the mother dies as a widow, then each surviving child will receive an immediate annuity amounting to one of the following, whichever is the least: (1) 50 percent of the amount which would have been due the parent; (2) \$480; or (3) the amount obtained by dividing \$1,200 by the number of children entitled to annuities.

We have discussed the special annuity benefits to the widows and children of persons who die while in active service; now let us take up the benefits to the survivors of the employees retiring after this law becomes effective. The following comments apply to all such annuitants (including those involuntarily separated after 25 years) except those receiving discontinued service annuity payments after 5 or more years of employment.

Survivors of
deceased
annuitants

Suppose we consider a retired employee who dies and leaves a widow but *no children who qualify* for annuity benefits. His widow will get an annuity beginning at her age 50 *if* he provided one for her when he retired by naming her as his survivor-annuitant. That will be the only way this widow can get an annuity based on the Government service performed by her husband.

Widow of
deceased
annuitant

If the deceased annuitant leaves a widow *and one or more children who are entitled to benefits*, the widow will be in line (like the widow of the man who died in active service) for a monthly check based on the existence of the offspring; she gets this benefit until she dies, remarries, or reaches age 50. This widow's annuity will be equal to 50 percent of her husband's basic annuity (excluding any portion thereof purchased by voluntary contributions).

Annuitant's
surviving
children

We've been talking about the annuity checks which are drawn in the widow's favor; now we shall discuss the benefits payable to the surviving *children of annuitants*.

When the annuitant is survived by both his widow and a child (or children), the child who qualifies for such benefit with respect to age and dependency will receive an immediate annuity consisting of one of the following, whichever is the least: (1) 50 percent of the annuity payable to the widow; (2) \$360; or (3) the amount obtained by dividing \$900 by the number of children involved.

When an annuitant dies as a widow or widower (the other spouse being deceased), each surviving child gets payments immediately. Each child will be entitled to one of the following, whichever is the least: (1) 50 per-

cent of the basic annuity the deceased person was entitled to; (2) \$480; or (3) the amount obtained by dividing \$1,200 by the number of children involved.

All payments to children are made to their legal guardians (if any have been appointed), or to the widows or other persons having the care and custody of the children.

Children's benefits terminate when the children reach age 18 (unless physically or mentally incapable of self-support), marry, or die. In cases in which several individuals (children, or widow-and-child combinations) are receiving survivor benefits, when the benefit to any one of the children ceases or the widow dies, the payments to the remaining children are recomputed on the basis of the new number of survivors involved.

When an employee member of the retirement system dies, there will be money in the fund to his credit. Whether it can be paid right away to the beneficiary he has named (or to his estate) depends on whether he leaves a surviving widow or children entitled to immediate or future annuity payments.

If he does *not* leave a widow or children, his beneficiary will receive, in the form of a lump-sum payment, everything in the fund to the employee's credit, with interest, regardless of how long the worker was employed.

If the deceased person leaves a survivor entitled to an immediate annuity, or a future annuity at age 50, the question of a lump-sum payment of an unexpended balance cannot arise until we see, after all survivorship payments are made, whether anything remains in the fund.

If the employee dies, leaving a widow or other survivor, or both, entitled to any benefit, there will not be a lump-sum payment due anyone if the annuities which are paid wipe out the total credited to the deceased worker. If, however, there is any balance left because the survivors' payments cease—on account of remarriage or death, for instance—that unexpended balance will go to the beneficiary or the estate.

It could happen that a survivorship benefit set aside for future payment may never be paid simply because the right to the benefit ceases before the due date (by death, or marriage, perhaps). In such case, the amount remaining in the fund will become payable in lump sum.

Lump sums may be payable to the beneficiaries of people who die after retirement, too. The conditions of eligibility and payment will be similar to those just described. In any event, it can be expected that if all the annuities paid out on the basis of any one employee's service do not equal the amount to the employee's credit in the fund at his death, an unexpended balance will exist and it will be payable to his beneficiary or his estate.

It should be remembered, however, in regard to all annuities, balances, and benefits under both the old and

Termination
and recompu-
tation of
benefits

Unexpended
balance

Lump-sum
payments

Claims must
be filed

the new laws, that no payments are awarded automatically; claims must be filed with the Civil Service Commission to start the ball rolling.

It is very important that every employee make out a designation of beneficiary form. They are available from agency personnel offices. Anyone may be named the beneficiary to get the money remaining in a deceased employee's or annuitant's retirement account—parent, wife, brother, daughter, a business acquaintance, a friend, or a religious, social, or educational group. It should be realized that if no one is named beneficiary, any lump sum which may be payable will go to the administrator or executor of the estate or to the next of kin, in that order.

The Langer-Chavez-Stevenson Act has simplified the refund and redeposit proposition, too. Here are a few of the key things we need to remember about this now:

If a person leaves, or is separated from, the Government with less than 20 years of civilian service to his credit, and before becoming eligible for optional retirement, he can get a refund of the money to his credit in the fund. If he served more than 1 year, he will also get the interest on his deductions; if he served 1 year or less, no interest will be paid.

We do not count military service in computing this 20-year period for refund purposes.

If a person has served 20 years or more in Federal civilian work, he is NOT entitled to a refund of his account money; he is entitled to an annuity at age 62.

If a separated person has over 5 years' but less than 20 years' civilian service to his credit, he has a choice of either taking a refund or leaving the money in the system for annuity purposes.

If a person leaves the service and takes his refund, and then returns to the Government, he is not required to repay the money he withdrew, but it is definitely to his advantage to do it. The example on the bottom of page 4 shows why this is so.

If such a person wishes to repay his refunded money, there will be an interest charge.

The old tontine bugaboo is gone at last. That dollar-a-month assessment which used to be set aside from the employee's account exists no more. The tontine provisions will apply in the cases of persons separated before this law becomes effective, but after that date everything that goes into the employee's account stays there to his personal credit.

The Langer-Chavez-Stevenson Act says that the only reason for returning a retired employee over age 60 to Government work is because of the acute need of his special qualifications. If it is arranged to reemploy such

Beneficiary
must be
named

Refunds and
redeposits

No more ton-
tine charge

a person, his annuity will continue to be paid to him, and an amount equal to the annuity he is getting will be deducted from his salary. No service credit will be given for the period of reemployment, and no retirement deductions will be made.

Annuitants under 60 years of age may be reemployed in the Government under the usual civil service conditions governing appointment and reinstatement.

So far as voluntary contributions to the fund are concerned, the 1948 act simplified the method of computing just how much more annuity is being purchased when we put in our extra money. As an example of how this works out now, in the case of a person retiring at 60, every \$100 he has credited to the voluntary contribution account (including the interest which his contributions earn) will increase his annuity by \$8. The amount of additional annuity grows at the rate of 20 cents a year. The figure for the person retiring at 63, therefore, is \$8.60. The following table shows the increases in 5-year stages:

| Growth of annuity for each \$100 in the contribution account | Age of retiring employee |
|--|--------------------------|
| \$7 | 55 |
| 8 | 60 |
| 9 | 65 |
| 10 | 70 |

Voluntary contributions purchase additional life annuities which are payable only to the employee who makes the contributions.

Annuities used to accrue on a day-to-day basis; this has been changed to a monthly basis. The effect of this is that if an annuity stops before the end of any month (because of the death of the annuitant, for example), there will not be any accrued unpaid annuity due the beneficiary for that part of the month which passed before the annuity terminated. Any unpaid annuity due (full months) upon the death of an annuitant goes to his beneficiary. Any unpaid annuity due upon the termination of an annuity to a survivor (because of remarriage, attainment of age 18, etc.), will go to the survivor, or to the survivor's estate if he has passed on.

The new act increased the annuity of those already on the retirement rolls by 25 percent, or \$300, whichever is less. The retired person has the choice, however, of taking the increase or of keeping his old rate and naming his wife to receive upon his death an annuity equal to one-half of what he is getting under the old law. The amount the wife gets, though, cannot exceed \$600. A married female annuitant has the same right to name her husband as survivor-annuitant.

Voluntary contributions

Accrual of annuity

Increased annuities

The Following Table Illustrates Annuities Computed Under the Basic Formula When All Payments Have Been Made

| Highest 5-year average salary | Years of creditable service | | | | | | |
|-------------------------------|-----------------------------|-------|-------|-------|---------|---------|---------|
| | 5 | 10 | 15 | 20 | 25 | 30 | 35 |
| \$1,500----- | \$200 | \$400 | \$600 | \$800 | \$1,000 | \$1,200 | \$1,200 |
| \$2,000----- | 225 | 450 | 675 | 900 | 1,125 | 1,350 | 1,575 |
| \$2,500----- | 250 | 500 | 750 | 1,000 | 1,250 | 1,500 | 1,750 |
| \$3,500----- | 300 | 600 | 900 | 1,200 | 1,500 | 1,800 | 2,100 |
| \$4,000----- | 325 | 650 | 975 | 1,300 | 1,625 | 1,950 | 2,275 |
| \$5,000----- | 375 | 750 | 1,125 | 1,500 | 1,875 | 2,250 | 2,625 |
| \$7,500----- | 563 | 1,125 | 1,688 | 2,250 | 2,813 | 3,375 | 3,938 |
| \$10,000----- | 750 | 1,500 | 2,250 | 3,000 | 3,750 | 4,500 | 5,250 |

The annual annuity is paid in 12 equal monthly installments computed to the nearest whole dollar; some of the above figures, therefore, are exact, while some are round figures close to the exact amount.

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